

HB 111 -- SALES TAX EXEMPTION FOR USED MANUFACTURED HOMES

SPONSOR: Crawford

COMMITTEE ACTIONS: Voted "Do Pass" by the Standing Committee on Ways and Means by a vote of 10 to 1. Voted "Do Pass" by the Select Committee on Financial Institutions and Taxation by a vote of 10 to 0.

This bill authorizes a state and local sales and use tax exemption on the sale of a used manufactured home.

PROPONENTS: Supporters of the bill say that homeowners haven't paid sales tax on these homes for over 20 years until a Supreme Court case, Featherston vs. Director of Revenue, made it taxable two years ago. Manufactured housing is often a starter home, low-income home, or senior home. This is a tax on people who can least afford it. Sometimes the tax is enough to keep people from owning a home. Sales tax is currently not being collected by the Department of Revenue. There is no impact to future sales tax revenue. This exemption only applies to titled homes on rental ground or shared property that is not attached to land. Approximately one-third of the business in the manufactured home industry is trade-ins of current homes for new manufactured homes. Requiring tax on used homes adversely affects a home's value.

Testifying for the bill were Representative Crawford and Missouri Manufactured Housing Association.

OPPONENTS: There was no opposition voiced to the committee.